

Dear Fellow South African,

In April last year, I announced our ambition to raise \$100 billion – equivalent to R1.2 trillion – in new investment over five years. This was aimed at boosting the rate of investment in our economy, which had been declining over several years. Not surprisingly, there was a fair amount of scepticism about our ability to succeed in raising this amount of investment.

Now, with the success of the second South Africa Investment Conference, held in Johannesburg last week, those doubts are giving way to a sense of realism and optimism. The total value of investment commitments made this year has vastly exceeded our expectations.

Last year, we secured R300 billion in commitments towards our goal of R1.2 trillion. Already, these commitments are turning into investments in factories, equipment and new jobs. Of the amount announced last year, around R238 billion worth of projects have either been completed or are being implemented.

By the conclusion of the conference last Thursday the total amount committed by corporates was R363 billion, and excluded an additional R8 billion was still subject to regulatory or board approvals.

In the end, however, we do not only measure the success of the Investment Conference by the amounts pledged, but also by the difference these investments make in the lives of South Africans, particularly the poor and unemployed. It is expected that over the next five years, the investments announced last week will conservatively result in the creation of around 412,000 direct jobs and a significant number of indirect jobs.

The aim of our investment drive is to create jobs, but also to create other economic opportunities as businesses are established to produce and supply products and services.

By far the most exciting development at the Investment Conference was the increase in the commitments from South African businesses. At last year's conference the total amount committed by local companies was just over R157 billion. This amount has climbed to R 262 billion in 2019. It includes projects in areas like auto manufacturing, mineral beneficiation, renewable energy, agro-processing and oil and gas.

Local businesses are the vanguard of our investment drive, and the scale of commitments made shows they have truly stepped up to the challenge. We are immensely encouraged that our home-grown businesses want to be part of not only economic growth but of advancing an inclusive economy.

Many are multinational giants with extensive investment portfolios on the continent and beyond. There can be no stronger testament to the Proudly South African theme than these companies choosing to plough more capital into our economy.

Many JSE-listed companies are sitting on substantial cash reserves. By 2017, the total reserves of large companies listed on the JSE amounted to R1.4 trillion, from around R242 billion in 2005. This money can be used to stimulate economic growth and create jobs locally, instead of being held in reserve or used to fund investments elsewhere.

Since I assumed office last year I have been engaging with business on a number of platforms to ask them to re-invest back into our economy, and am greatly encouraged that many heeding the call.

There has been a noteworthy shift. Figures released by Statistics South Africa show a 6% increase in gross fixed capital formation in the second quarter of this year, following five consecutive quarters of decline.

At one recent engagement, several business people told me they believed the tide has turned on poor business confidence. One business person said: "We are hopeful about South Africa now." They acknowledged that the reform process we have embarked on since last year is yielding results.

Twenty five years into democracy, we are trying to grow our economy and at the same time resolve the challenges of poverty, inequality and underdevelopment.

As we strive to do so, we are seeing South African business looking beyond the boardroom and playing an active and full part in transforming our economy, and with this, our society.

In deciding to re-invest, and at such a scale, they have shown their commitment to their home country and its fortunes. Putting more money into our economy creates more jobs for our people, results in much needed knowledge and skills transfer, supports local SMMEs and boosts local production.

Investing at home gives impetus to our drive to encourage more South Africans to buy local. This significant increase in domestic investment will no doubt inspire similar levels of confidence from international companies wanting to bring their capital here.

Last week, for example, I opened the Tshwane Automotive Special Economic Zone, where nine auto manufacturing companies are set to open by 2021. Although its anchor tenant, the Ford Motor Company is a multinational, local businesses will supply manufactured components and other assembly line services. An incubation centre will be established next to the project, which will help to develop black-owned small and medium-sized businesses.

As we encourage new investment, we need to protect and retain current investment. Our work towards improving the competitiveness of our business environment will ensure that our investment gains are not undermined by business closures. A competitive economy will also mean that every rand of capital invested yields more in terms of output and jobs.

We have raised R663 billion and still have some way to go to reach our target of R1.2 trillion over next three years. But we are buoyed by our achievements – and should celebrate them. The investment garnered at this year’s conference will further grow what is already the most advanced, diverse and industrialised economy in Africa.

The benefit of increased investment extends far beyond raising capital to fund key projects. It is about the creation of a good and decent job for every South African, enabling them to feed their families, to own or build a home, and to save for their children’s education and for retirement.

It is about a stronger economy that affords us more room to increase social spending, to tackle poverty and to ensure that no man, woman and child is destitute or goes hungry. It is about more opportunities for young people to gain skills and work experience, and for others to become business owners, entrepreneurs and industrialists.

It is about giving effect to the promise of the Freedom Charter that all shall share in the country’s wealth. Above all, it is about expanding the welfare and horizons of all our people, bringing us all the closer to attaining the South Africa we want.

Best wishes,